

**Rep. John Campbell, R-Calif.**, has introduced legislation designed to counter efforts by local governments to use eminent domain laws to seize and restructure underwater mortgages and then resell the loans to new investors.

**Campbell's** bill, titled the Defending American Taxpayers from Abusive Government Takings Act, would prohibit Fannie Mae, Freddie Mac, the Federal Housing Administration and the U.S. Department of Veterans Affairs from doing business in counties where a mortgage has been seized by a municipal government evoking eminent domain law.

The eminent domain plans being considered by several local governments in California would only focus on home loans in private-label securitization. These plans, which have yet to be formally adopted by any locality, have been proposed by Mortgage Resolution Partners, a San Francisco-based organization run by Steve Gluckstern, a former executive for Warren Buffett's Berkshire Hathaway Insurance Group and a major donor to President Obama's re-election campaign.

**"There is no question that we need to take steps to assist American homeowners in distress," says Campbell. "But, these steps must not undermine rule of law, must not engage in corruptive and abusive practices, must protect the American taxpayer and must not further degrade the housing market. The eminent domain programs in question are atrocious, corruptive, irresponsible and unconstitutional. We do need to fix the housing sector, but it must be done in a way that does not break the law and does not enrich undeserving, politically connected entities in cities and counties with unsustainable budget deficits."**